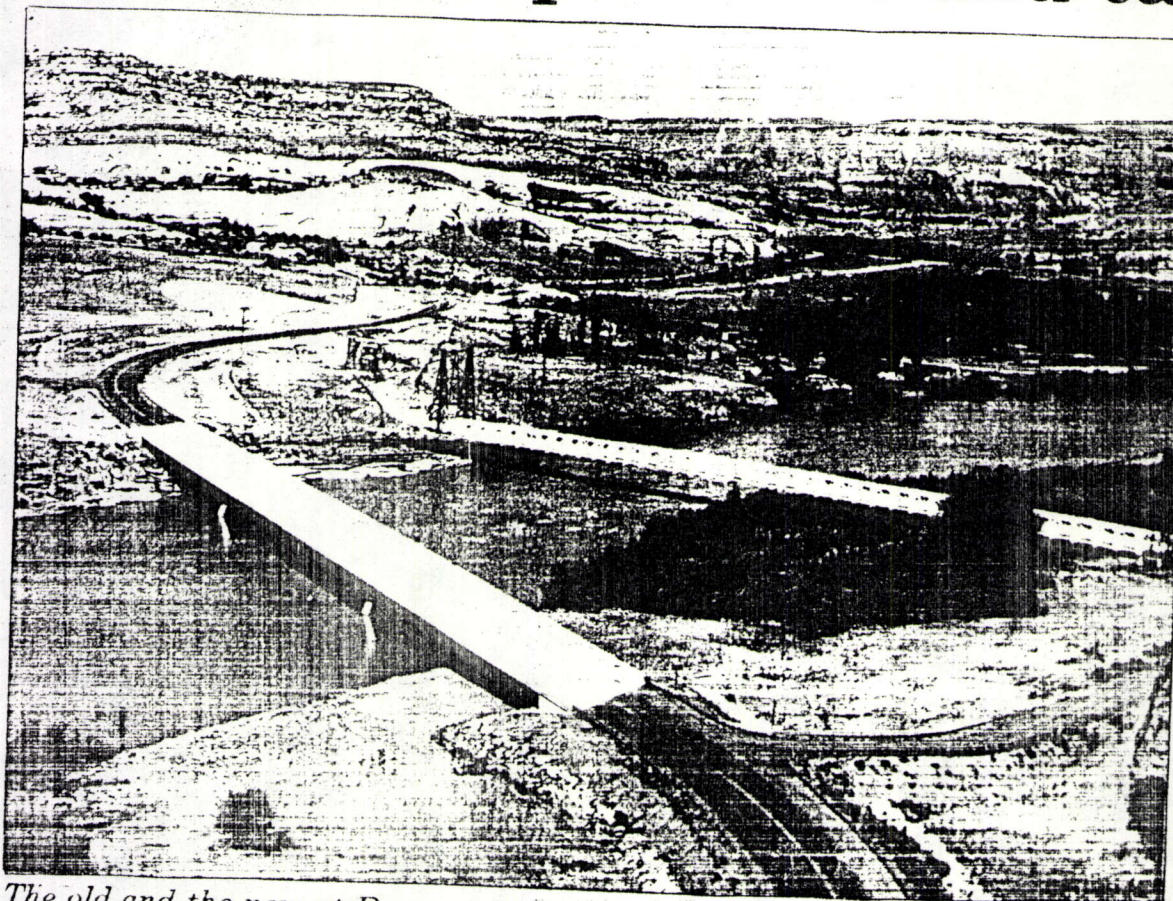


SEP 21 1987

DIVISION OF OIL  
CLAS & MINING

## Atlas turns from uranium to gold; will close U-ore operations and take tax loss



**The old and the new at Dewey**

This striking photo shows the new two-lane bridge across the Colorado River at Dewey, alongside the old suspension bridge, which is now owned by Grand County, and is listed on the National Historic Register. With the good, however, comes the not-so-good. Traffic on U-128 has increased dramatically, including truck traffic. That has prompted the Utah Transportation Commission to ban through truck traffic along the route due to the narrowness of the roadway, and signs have been erected on I-70 and approaches to

U-128 advising through truckers that they cannot use the route. In the meantime, UDOT maintenance crews from the Moab station continue to make improvements along the route from Moab to Dewey, and UDOT engineers are now putting together a comprehensive engineering plan to determine costs of bringing the entire route up to acceptable standards, and Grand County is continuing to work on plans for a picnic area and park alongside the old Dewey Bridge, which is now closed to all but foot traffic.

(Photo by Dyke LeFevre)

Atlas Corporation announced it is restructuring its operations to increase its focus on its new core business of mining precious metals. As part of the restructuring, it will close its uranium operations and sell parts of its other businesses in order to concentrate on precious metals exploration and production.

Atlas also announced that it has discovered gold at its Gold Ridge project in Nevada. The new deposit, Atlas' second gold discovery in the past year and its third gold deposit in central Nevada, is located several miles northeast of its Gold Bar mine. Drilling to date indicates at least 100,000 ounces of probable geological gold reserves and the deposit is still being explored.

The company said that it is closing its uranium operations because of the continuing depressed state of the domestic uranium industry. Including estimated reclamation costs and certain liabilities and expenses, the shut-down will result in a one-time charge against earnings of \$51,949,000.

"Atlas is now principally a gold mining company, and we plan to increase our efforts in the precious metals arena," said Richard R. Weaver, President and Chief Executive Officer. "We are producing gold from our Gold Bar mine in Nevada at the rate of about 45,000 ounces a year, and our aggressive exploration program has added more than 250,000 ounces to our reserves this year, giving us total proven and probable geological gold reserve approaching 600,000 ounces."

"We estimate that the cash cost of closing the uranium operations will be substantially less than the \$2.5 million a year we have been spending to maintain the operations on a standby basis and will free additional resources for precious metals exploration and development."

proximately 30,000 contiguous acres in Nevada surrounding its current gold mining and milling operations. The company is actively exploring for additional reserves in that area, with exploration work currently concentrated on the Goldstone and Gold Ridge discoveries located within several miles of the Gold Bar mine. The company also has 100 percent ownership or exclusive mining rights to extensive exploration acreage in other areas of Nevada, as well as in Arizona, California, Colorado, Oregon and Utah.

Atlas has taken several other steps recently to apply its resources more fully to gold production and exploration. In addition to closing its uranium operations, the company has been reducing its commitment to its other businesses:

In March, 1987, Atlas sold its Western Sky Industries Division, a manufacturer of plastic and metal products for the aircraft and automotive industries, for approximately \$2,100,000.

Most recently, Atlas reached an agreement in principle to sell its Brockton Sole & Plastic Division, which makes products for the shoe and sporting goods industries, and the Central Mixed Concrete business of its Atlas Building Materials Division, for a total of approximately \$4,500,000.

The company anticipates that sales of uranium inventories under an existing contract and proceeds from the liquidation of uranium-related assets will largely cover the closing and reclamation costs related to its uranium operations.

### Fiscal 1987 Results

Atlas also announced a net loss of \$52,189,000, or \$17.62 per share, for its fiscal year ended June 30, 1987, compared with a net loss of \$2,810,000 for fiscal year 1986. The 1987 loss was due to the charge related to the

W/037/05?

Atlas General File

## Annual Labor Day Campaign



# Atlas moving into gold, will write off millions in uranium properties

(Cont. from Page A-1)

operations. From continuing operations, Atlas earned \$266,000, or \$0.09 per share, compared with a loss of \$3,320,000 or \$0.78 per share, from continuing operations in fiscal 1986. Revenues from continuing operations for fiscal 1987 were \$24,810,000 compared with \$16,070,000 for fiscal 1986. The improved results reflect the significant contribution of the start-up of gold production from the company's Gold mine.

In the fourth fiscal quarter, Atlas reported income from con-

tinuing operations of \$1,556,000, or \$0.52 per share, compared with income of \$32,000, or \$0.01 per share, for the same period last year. Including the charge related to the discontinued uranium operations, Atlas had a net loss of \$31,332,000, or \$17.35 per share, compared with a net loss of \$602,000, or \$0.20 per share, for the same quarter last year. Revenues from continuing operations for the 1987 fourth quarter were \$9,649,000, compared with \$3,266,000 for the same quarter last year.

## Rights Distribution

Atlas also announced that its Board of Directors has declared a dividend distribution

of one preferred stock purchase right on each outstanding share of its common stock.

"While the Board is not aware of an effort to acquire control of the company, it believes the stock purchase rights plan represents a sound and reasonable means of safeguarding the interests of shareholders, particularly while we are taking so many important steps to restructure the company," said Mr. Weaver in explaining the rights issuance.

The rights dividend distribution is payable as of September 15, 1987, to stockholders of record on that date, and the rights will expire 10 years later unless redeemed

at an earlier date.

The rights will not become exercisable until the close of business ten days after a public announcement that a person or group has acquired 25 percent or of the outstanding common stock of Atlas or a public announcement or commencement of a tender or exchange offer that would result in the offeror acquiring 30 percent or more of the company's common stock. Once exercisable, each right would entitle stockholders to buy 1/100 of a share of Atlas Series A Preferred Stock at a price of \$90.00.

If the company is acquired in a merger or other business combination transaction, each

right then exercisable will entitle its holder to purchase that number of shares of the acquiring company's common stock that has a market value equal to twice the right's exercise price. If a person or group acquires 30 percent or more of the company's common stock or a 25 percent or greater stockholder acquires Atlas through a transaction in which Atlas and its common stock survive, or engages in certain self-dealing transactions with the company, each holder of a right, other than the person or group acquiring the 30 percent posi-

tion or the stockholder acquiring the 25 percent position, will have the right to receive upon payment of the exercise price, that number of shares of the company's Series A Preferred Stock having a market value at the time of the transaction equal to twice the exercise price.

The Board of Directors may redeem the rights for \$.05 per right prior to the close of business on the tenth day after a person or group acquires 25 percent or more of the outstanding common stock of Atlas. The 10-day term is subject to extension by the Board of Directors.

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## Mayor Tom Stocks elected to League 2nd VP post

Moab Mayor Tom Stocks has been named Second Vice President of the Utah League of Cities and Towns.

Joining Mayor Stocks on the Executive Board are Mayor Palmer DePaulis, Salt Lake City, President, and Mayor Carole Scott of Manila, First Vice President.

St. George Mayor Karl Brooks, who just completed a year as President, remains on the Executive Board as Immediate Past President.

Two year appointments to the 12-member Board of Directors include Mayor Nathan C. Anderson of

Redmond, Mayor Bruce Darley of Hyrum, and Councilman Darrell Saunders of Ogden. Layton Mayor Richard McKenzie, who was appointed earlier in the year to fill an unexpired term, has been reappointed.

The Utah League of Cities and Towns is a nonpartisan, nonprofit association of cities and towns created under interlocal agreement. It represents municipal interests at the State and Federal levels and provides members a variety of lobbying, informational and support services.

## Westwater Canyon status discussed by C of C

The speaker at the Chamber of Commerce meeting on Tuesday was Russ Von Koch with the BLM. He discussed the proposal to designate the Westwater Canyon areas as a "Wild and Scenic" river. He said the Westwater canyon brings in about 3/4 million dollars to the various commercial boating com-

panies who feature trips in the canyon. . . not to mention the money that is spent in area motels, gas stations, and other businesses.

He said the Westwater Canyon is considered to be among the best two-day river trips in America. A "wild and scenic" designation would make the canyon even more attractive to river runners. It could also bring in more money to the BLM recreation budget for use in that area.

Mr. Von Koch stated that the "wild and scenic" proposal as it

## National bowling rep. coming to Moab

Meet a Women's International Bowling Congress (WIBC) field representative.

Lori Micelli, one of five representatives throughout the country, will visit Moab, on Sept. 16, 1987, as a guest of the Moab Women's Bowling Association (WBA) for its 7 p.m. forum meeting at Moab Lanes.

Questions dealing with league procedures and policies will be answered during this local association's forum meeting. The WIBC Championship Tournament will also be discussed. Included on the agenda will be information concerning the senior programs, Young American Bowling Alliance activities, National Bowling Council promotion plans and new WIBC plans and projects.

Micelli, will also explain the many services available through WIBC for its 3.2 million members. Her presentation may include either a slide presentation or one of WIBC's many films.

The meeting is open to all members of the women's bowling association and the officers of the local junior bowling association.

## ATTENDED WEDDING

Vion Johnston and wife Coleen spent a few days in Salt Lake City. While there they attended the Tibbitts and Lyman wedding and

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